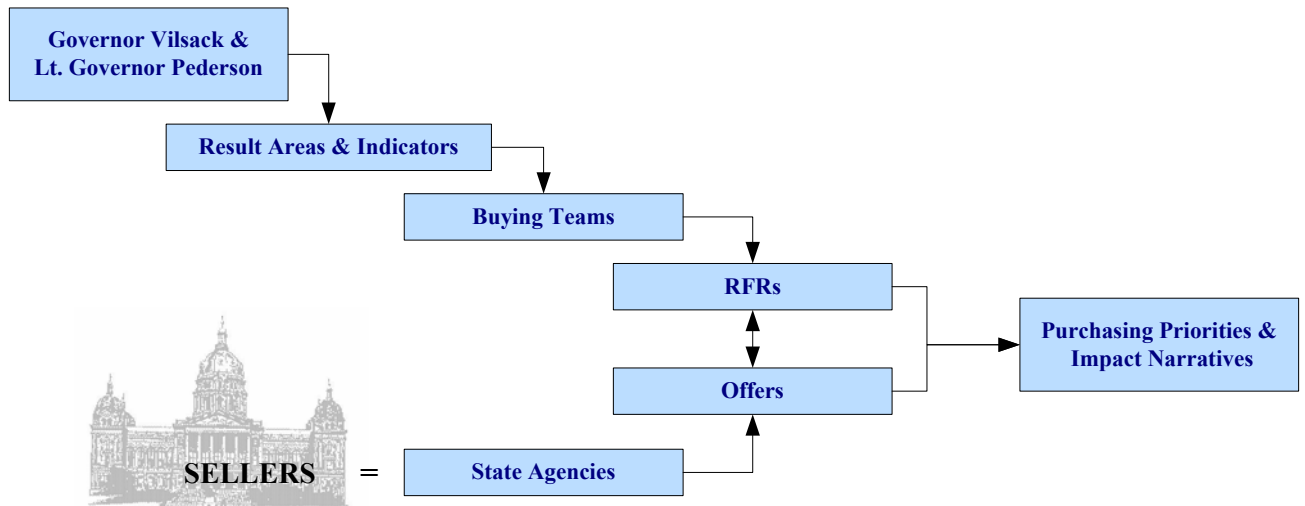




PURCHASING RESULTS



“Purchasing Results” is a new and better way to budget. Traditional budgeting fails state government and fails Iowans. Traditional government budgeting starts with last year’s numbers and then adjusts some up and some down.

- All the energy is invested at the margin; the vast majority of spending is never reviewed.
- Inertia maintains current spending. Good, new ideas rarely break through and mediocre programs rarely go away, even in bad budget times.
- The focus is on the money, not the value Iowans get for the money.

Purchasing Results turns the old way upside down. It starts from scratch and uses an entirely different dynamic to invest each dollar to achieve the best results for Iowans.

Think of the Governor and Lt. Governor – with the Legislature – as purchasers of government services on Iowans’ behalf. Think of state agencies as sellers of these services. Purchasing Results sets up a marketplace where buyers try to get the best deal they can from sellers. Conversely, sellers have a strong incentive to offer high value because value drives buyers’ decisions. The better the results per dollar, the better the chance an Offer will be funded.

The mechanics of Purchasing Results work like this:

1. Results Areas and Indicators

Governor Vilsack and Lt. Governor Pederson start the process by listening to Iowans. That input forms the basis for **Results Areas and Indicators**, which identify the overall results Iowans want, with indicators that tell us how well we are doing. The five main Result Areas are:

- **Improve Student Achievement**
- **Transform the Economy**
- **Improve the Health of Iowans**
- **Improve Community Safety, Particularly for Vulnerable Iowans**
- **Improve the Quality of Our Natural Resources**

Two more complete the picture:

- **Improve Government Accountability**, which includes the services needed to support all activities, for example: human resources, information technologies, and revenue.
- **Improve the State's Infrastructure**, which provides buildings, highways, technology systems, and more.

An example of an Indicator, in this case for Improve Student Achievement, is the percentage of 4th grade students achieving “proficient” or higher in reading.

2. Buying Teams and Requests for Results

The Governor and Lt. Governor then ask Buying Teams to help them purchase results in each of the Result Areas. Each Buying Team, which consists of staff from the Office of the Governor and Lt. Governor and the Department of Management, issues a **Request for Results (RFR)** to the sellers.

Each RFR, which is very much like a Request for Proposals (RFP), guides sellers. *“This is what we want to buy. These are the priorities. Here are the strategies we think work best.”* Each RFR consists of the Indicators, a Strategy Map, and Purchasing Strategies for that Result Area.

3. Offers

With the RFRs as their guide, state agencies prepare **Offers** for the Buying Teams. Each Offer is just that, an offer to provide quantified results for a given price. The Buying Teams encourage agencies to be creative, collaborate with others, and submit any offer they want, to any Buying Team, as long as it responds to an RFR. Existing activities are not exempted. Agencies know that if they want to do something in fiscal year 2006, it has to be in an Offer. Each Offer consists of a Description, Justification, Performance Measures, and Price with Revenue Source.

4. Purchasing Priorities

The Buying Teams evaluate the Offers, negotiate with sellers for better deals, and rank the final offers in priority order as recommendations to the Governor and Lt. Governor. Each Buying

Team has an allocation of the total expected revenues and can see how much of their prioritized list that allocation allows them to purchase.

These lists, **Purchasing Priorities**, show the Offers in priority order from top to bottom, with a line drawn to show where the money runs out.

The Purchasing Priorities make the hard choices clear. Higher priority Offers rise above the line and are recommended for funding. Lower priority Offers slip below the line and cannot be funded with the money available. For each Purchasing Priorities list, a one-page “**Impact Narrative**” describes what happens for Iowans when the priorities are funded.

Next

Purchasing Results provides a better framework for budget choices. Decision makers can engage sellers in discussions about Offers. They can reorder the priorities by moving Offers up or down the Purchasing Priorities. They can decide how many dollars should be available overall and how many should be allocated to each Result Area. Ultimately, they decide which Offers provide the best value for Iowans.

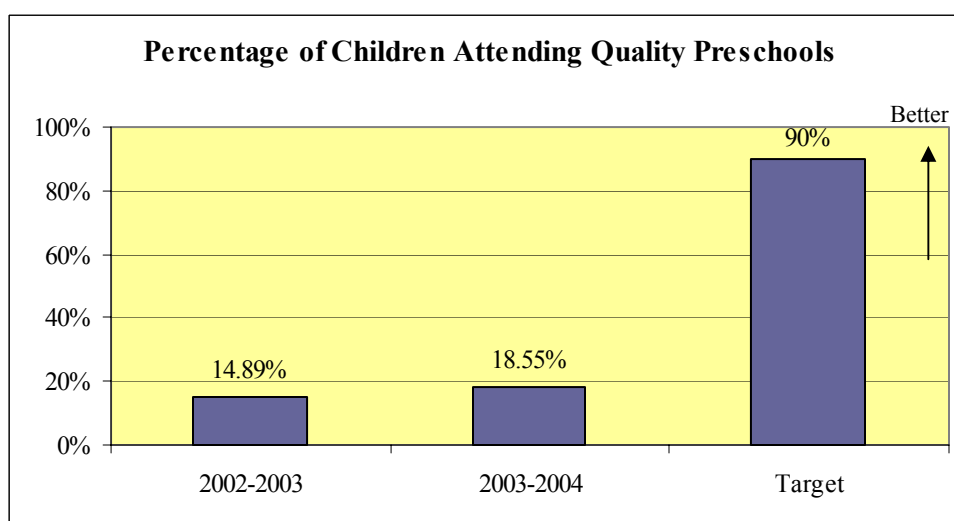
Request for Results

Improve Student Achievement

Result: *IMPROVE STUDENT ACHIEVEMENT*

Indicators:

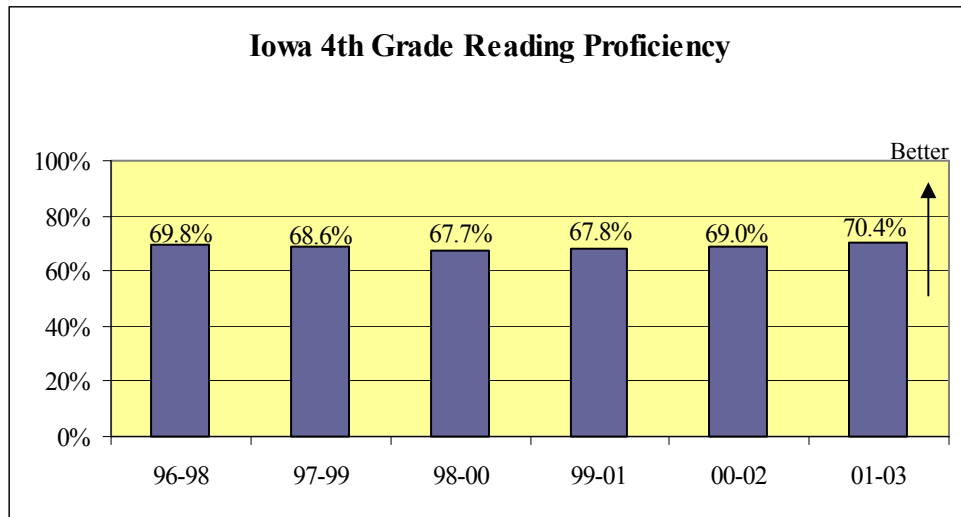
Each indicator reflects a critical outcome for each phase of learning; early childhood, K-12, and post secondary. They are not meant to directly connect to all strategies improving student achievement.



Data Sources: Iowa Department of Education Shared Visions and District Data, Iowa Department of Human Services Access Data System; NAEYC Website: Accredited Program Search; Head Start Program Information Report for 2002-2003: Total Actual Enrollment

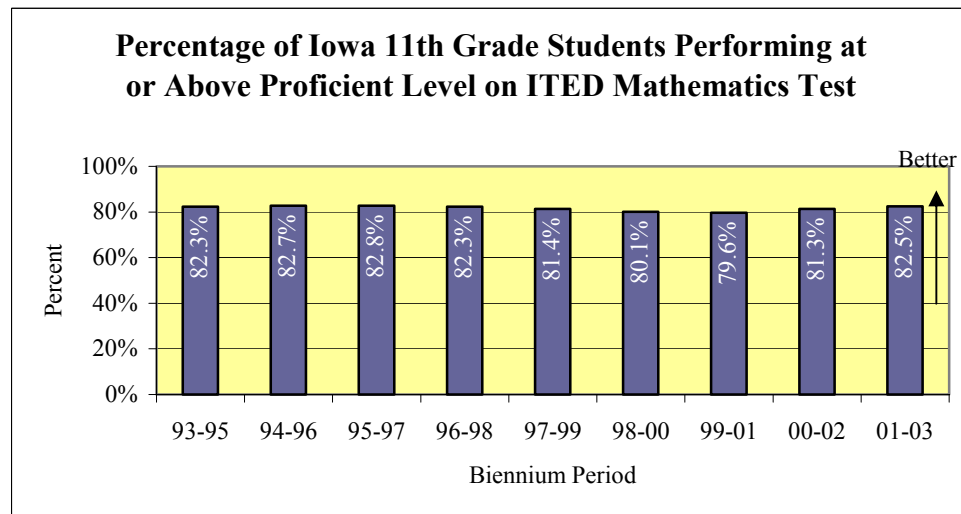
- **Percentage of children attending quality preschool.**
*The percentage of Iowa children, ages three and four, who have participated in a preschool program that is NAEYC (National Association for the Education of Young Children) accredited and/or meets Head Start program performance standards, or meets a comparable set of standards. This data is currently being collected to track progress on the Leadership Agenda goal that 90% of Iowa's children have a quality preschool experience. In the absence of a statewide measure that gauges what children know and can do at the time of school entry, the team chose the percentage of children attending quality preschool. Offers should include comprehensive strategies that include, but are not limited to, preschool, because good evidence shows that multiple strategies are needed to achieve school readiness. In future iterations of this process, a more comprehensive indicator of early childhood education may be available.

(1)



Data Source: University of Iowa, Iowa Testing Programs

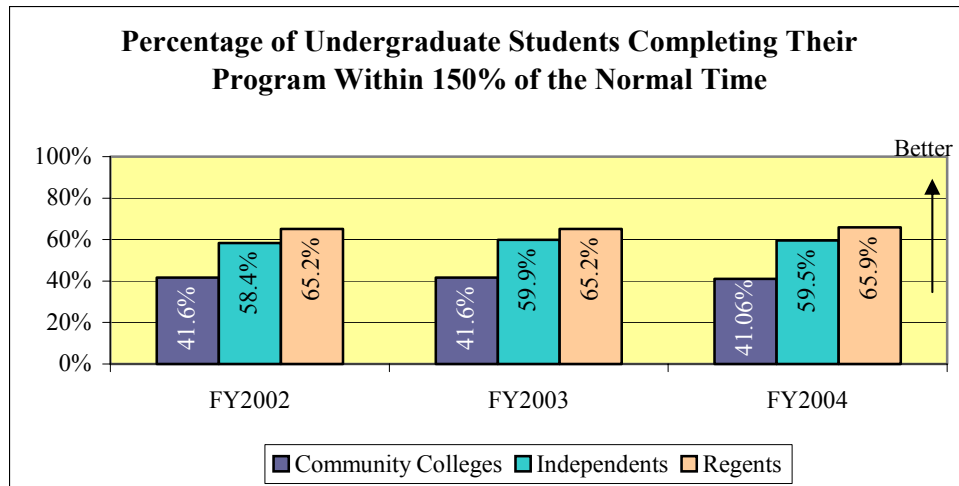
(2)



Data Source: University of Iowa, Iowa Testing Programs

- (1) Percentage of 4th grade students achieving proficient or higher in reading; and
(2) Percentage of 11th grade students achieving proficient or higher in mathematics.

*(1) is based on Iowa Tests of Basic Skills results and (2) is based on Iowa Tests of Educational Development results. Research supports the importance of reading and math as foundational skills in the workplace. Students lacking adequate skills in these areas are found to have an increased chance of dropping out, less interest in post-secondary or lifelong learning and less earning power in their lifetimes.



Data Sources: Iowa Department of Education; Iowa Community College, Management Information System; Iowa College Student Aid Commission, Information Digest of Post Secondary Education; Iowa Board of Regents

- Percentage of full-time undergraduate post-secondary students completing their program within 150% of the normal length of study.
 *Normal length of study is based on Regent institutions' six-year graduation rate; community colleges' three-year persistence rate; and independent colleges' six-year graduation rate from IPEDS (Integrated Postsecondary Education Data System). Research is clear that as individuals obtain more post-secondary training, positive indicators like earning power and health increase while negative indicators like unemployment and crime rates decrease. This indicator supports the Leadership Agenda goal of 90% of Iowa's population having post-secondary experience. All Regent institutions, community colleges and independent colleges in Iowa must be accredited so an assumption of quality can be made. High school graduation rate or the % of public high school graduates/seniors pursuing or intending to pursue post-secondary education or training were not chosen as indicators because they are intermediate indicators supporting the overall indicator of completing post-secondary training. The team also considered using the % of employed Iowans with a college degree but concluded that would be more directly related to the New Economy result than the Student Achievement result.

Strategy Map: (attached)

The Strategy Map depicts the spectrum of education supports -- early childhood through post-secondary – and the factors influencing these categories of supports. Since learning is built on the foundation of prior learning, and children’s earliest learning experiences are fundamental to their brain development and long-term educational success, the quality of the very earliest learning experiences helps to shape the overall quality of education at all levels. By ensuring excellence in education in early learning and in the primary grades, children obtain a solid foundation for success throughout their lives. Ultimately, these efforts link to the number of students who will successfully complete a postsecondary education and prosper in the modern economy.

Strategies:

Student achievement is affected by four major components:

Create Great Learning Environments – The overall quality of experience offered to learners is determined by: available tools and support, breadth and diversity of curriculum, access to programs, quality and effectiveness of instruction offered, support given to teachers and staff, quality of facilities, and the transitions between levels of education. These learning resources are essential to improving student achievement.

Produce Ready-to-Learn Students – Students at all ages will achieve more when they are physically healthy, safe, well-nourished and rested, have supportive relationships, and are exposed to educational opportunities and challenges.

Ensure Students have Secure and Nurturing Families – The family environment is a critical factor in student achievement. Supportive parents and other adults that are involved in learning, read to their children, attend activities, understand the importance of education, have an adequate income, and provide a secure and stable home develop learners more capable of high levels of achievement.

Create Safe and Supportive Communities – Community support is essential to student achievement as it affects both students and learning environments. Communities affect learning through cultural dynamics, awareness and availability of information about the importance of student achievement, providing care for dependents, promoting positive youth development activities and the availability of transportation and housing.

*The Education Buying team sees Great Learning Environments and Ready-to-Learn Students as the components that will most directly improve student achievement and therefore, see the bulk of the Education investment being made in these two areas.

Purchasing Strategies - The Education Buying Team seeks offers that:

1. *Increase the effectiveness of comprehensive early childhood care, health and education;*
2. *Assure that all learners have access to a broad set of educational opportunities;*
3. *Invest in staff quality and effective instruction;*
4. *Enhance the affordability of early childhood and postsecondary opportunities;*
5. *Build results-oriented partnerships among education institutions, government, families, communities, businesses, non-profits, and others;*
6. *Implement evidence-based best practices;*
7. *Increase the proportion of the resources devoted to direct instructional activities; and*
8. *More fully engage learners and their families in their learning environments.*

All Offers Should:

1. *Be Innovative and bold.*

This is not business as usual. Offers must be made up of ideas and improved services that produce results in the most effective and innovative ways. Offers are not limited to services the State of Iowa currently provides. If an offer includes a service the State currently provides, the offer must improve upon those services. Adapt best practices to Iowa.

2. *Use the principles of smarter sizing, smarter spending, smarter management and smarter leadership.*

The State of Iowa must work smarter to produce better results with the available resources. Some principles that will do that include:

- Consolidating services in a smart way;
- Buying services competitively;
- Using flexibility to produce accountability;
- Giving Iowans choices;
- Giving money to Iowans, rather than institutions;
- Making administrative systems allies, not enemies;
- Improving work processes and productivity;
- Improving the availability, quality, use, and sharing of data;
- Purchasing prevention, not remediation;
- Separating steering and rowing;
- Producing voluntary compliance;
- Targeting subsidies;
- Purchasing less mistrust; and
- Blending or braiding revenue streams.

3. Divest in lower value strategies so that there is money to invest in higher value strategies.

The State of Iowa cannot continue providing all of the services it currently provides, because many of those services do not directly relate to the results Iowans want most. In order to provide those results, the State must target its resources toward services and programs that will directly impact those result areas. Investments must also target populations, regions or aspects of a delivery system that most need attention.

4. Encourage collaboration and partnerships.

The State of Iowa cannot do everything alone. Iowans want State departments to work with each other, as well as other levels of government, and the private sector. The State's investments must build upon and work with community based organizations and initiatives. Partnerships require incentives. The State cannot construct a budget based on the hope that partners will fund a portion of the service, if those deals have not been discussed with the partners.

5. Show measurable results.

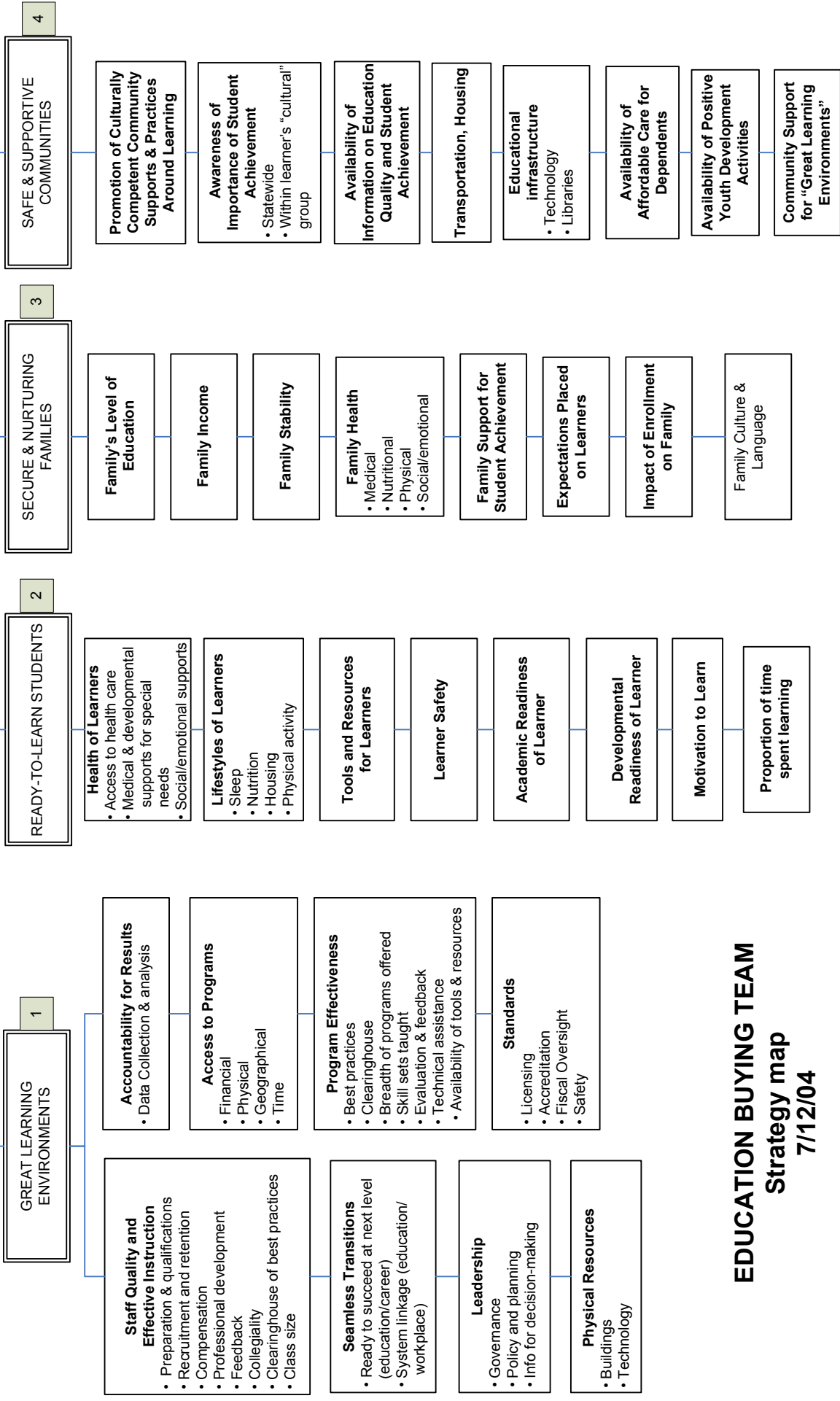
6. Build on organizational core competencies.

When offers are made to fund existing State services, they must build upon that service's strengths. Offers should improve upon the areas that Iowans expect and want from State government, not abandon the core service.

7. Promote cultural competence.

Diversity is important to the future of Iowa. All offers must welcome and serve diverse populations.

IMPROVING STUDENT ACHIEVEMENT



EDUCATION BUYING TEAM
Strategy map
7/12/04

Covers all levels of education, early childhood, K-12 & postsecondary. The Buying Team acknowledges that terminology varies among sectors

OFFER FOR IOWANS: EARLY CHILDHOOD

IDENTIFYING INFORMATION

Offer Name: S001_S_532_06_F Comprehensive Early Care, Health and Education -- System and Services

Participants in the Offer:

Departments of Education, Human Rights, Human Services, Management, Public Health, and Economic Development

OVERVIEW:

A coordinated and funded Early Care, Health, and Education system supports the state results of:

- Healthy Children
- Children Ready to Succeed in School
- Secure and Nurturing Families
- Safe and Secure Communities
- Safe and Secure Child Care Environments

A comprehensive early care, health, and education system provides Iowa's diverse families access to, availability of, and funding support for an array of quality early care, health and education providers that meets the family's needs. Investing in this system will yield: 1) Iowa families achieving and maintaining self-sufficiency; 2) the healthy development of children; 3) healthy and safe children able to learn (school-readiness) and 4) a productive, reliable and stable workforce.

The system of early care, health, and education is an interdependent one that requires coordination and monitoring if we are to achieve our desired results. The efforts described below would coordinate and fund key strategies of a comprehensive system. In funding these efforts, Iowa builds on the many existing infrastructures, partnerships, and initiatives already established and also capitalizes on existing funding. Currently there is not one governance/support structure to sustain Iowa's development of a comprehensive system and commitment to its youngest citizens.

In establishing a clearly known structure for all levels of the system – that provides for the establishment of goals, monitoring, recommendations regarding needs and duplication in the system, and improvement to policy and service delivery – all players in the system will have clearly defined roles and expectations, and a 'roadmap' for ensuring our efforts achieve our state goals.

A logical evolution of the system would be the eventual assimilation of existing councils and advisory boards under an overall state board for early care, health, and education. An effort that acknowledges the need for specific structure required by federal or state law, funding streams, etc., but that begins to direct the identified challenges, recommendations and data of those groups into one central location to support Iowa in putting forth one consistent public and policy message. The system of early care, health, and education is a solid patchwork quilt of programs and services, to which this offer will provide the structure that holds it together and allows for coordinated advocacy for necessary improvements.

The offer presented in no way reflects all the components of the system but rather establishes key strategies that will connect into other efforts. The Department of Public Health has submitted a separate proposal for healthy-communities initiative. Examples of other components of the system that would be incorporated into the overall infrastructure would be:

- The overall efforts and investments of the Department of Public Health regarding maternal and child health services, oral health, newborn screening, lead poisoning prevention, nutrition education, early hearing detection, and multi-cultural health office are key aspects in the achievement of healthy children able to learn.
- A joint effort of the Departments of Human Services and Public Health, Center for Disabilities and Development, and the Prevention of Disabilities Council (ABCD II Grant) to assure the development and infusion of mental health developmental services into the current EPSDT services. This project will build awareness of physicians and support better integration of mental health services into the early care, health and education system.
- State efforts in supporting families with children birth-three including ongoing evaluation recommendations for investment of Early Head Start, Early ACCESS, the Shared Visions Family Support Programs, and HOPES.

This offer moves forward many of the recommendations of the Governor's Early Care and Education Task Force, Iowans 2010, the Iowa Learns Council, the Child and Family Policy Center's down payment plan, and the Leadership Agenda of Governor Vilsack and Lieutenant Governor Pederson. This approach will offer Iowans a return on their investment that will reap its rewards as our children move through their school-age years into adulthood.

The following components comprise necessary investments in the Early Care, Health, and Education System:

Improve Coordination Of The Early Care, Health, And Education Systems

Components of the Infrastructure:

The Children's Cabinet

The Children's Cabinet will be responsible for operationalizing Board policies throughout their departments and collaborating, coordinating and integrating early childhood services provided at the state level. The work of the Cabinet will be coordinated with the Iowa Empowerment Board. The Department Directors on the Iowa Empowerment Board will become the Children's Cabinet and would currently continue to remain on the Iowa Empowerment Board. This is an enhancement of the current structure as indicated below in this group's responsibilities. Those directors are from the Depts. of Economic Development, Education, Human Rights, Public Health, Human Services, and Management. The Children's Cabinet would have staff support, designees to be determined by each department director.

Responsibilities:

- Promote the comprehensive, uniform system-wide leadership agenda within their agencies for the promotion of quality environments for all young children and their families
- Promote and ensure more effective coordination within the executive branch of all agencies responsible for early care, health and education efforts supported by state government in Iowa
- Focus and prioritize the array of early care, health and education programs and services on specific results consistent with the Accountable Government Act
- Develop and implement strategies for sustainable financing
- Provide collaborative policy recommendations to the Governor and Lt. Governor for improving access to quality early care, health and education services in Iowa
- Ensure policies and performance measures that are culturally sensitive and meeting the needs of the underserved populations.
- Review existing supports for children ages 0-3 and make recommendations for program outcomes and a continuity of services.

Iowa Empowerment Board (IEB):

The Iowa Empowerment Board (IEB) sets goals to empower communities to achieve desired results, develop collaboration to support a system and advocate for public engagement. The Board's role includes providing oversight, tracking, and reporting the data on the Empowerment Results and Indicators; advocacy; and public awareness of the importance of early childhood.

Current members of the Iowa Empowerment Board (IEB) include department directors for five state agencies, six legislators, and citizen membership, including a faith-based and consumer representation. The IEB membership will be expanded to include other perspectives of early care, health and education programs across state government. In order to build stronger linkages with the business community, expansion would also include business leadership. This would allow for the board to mirror the community empowerment area local board structure. The expanded board could be given a new name to reflect the role of building an early care, health and education system. The IEB is responsible for system development and the funding streams for which they have authority over. They will advise and assist the Children's Cabinet.

In order to build stronger linkages with the entire state's population, the IEB will make a concerted effort to recruit ethnic minority members to better reflect the state's demographics.

Responsibilities

- Integrated existing services and advance quality improvement strategies.
- Develop strategies and recommendations for integrated/braided funding for early care, health and education initiatives.
- Develop strategies and align state level policies to support local collaboration for community-based early care, health and education.

- Develop effective and efficient allocation of resources to support desired outcomes.
- Inventory existing data sources and support analysis of data to support evidence based decision making at state and local level.
- Advocate for and be advisory towards strategies for sustainable financing.
- Develop a leadership agenda for high quality environments for all young children and their families.
- Track and analyze state-wide indicators, including but not limited to: low birth weight; rate of immunization by age 2; children entering kindergarten ready for school; employment rate; incidence of child abuse; teen birth rate; availability of child care; and prenatal care during the first trimester.

Office of Empowerment

The Office of Empowerment provides a center for facilitation, communication and coordination for the Community Empowerment process and, associated activities and funding. Staff are provided by state agencies represented on the Iowa Empowerment Board

State Empowerment Team

The Office of Empowerment and State Empowerment Technical Assistance Team will provide staff to the Iowa Empowerment Board, coordinate and implement a technical assistance system, and support state and local-level collaboration. The staff will communicate and coordinate with the Iowa Empowerment Board and the staff to the Children's Cabinet Governance Board.

Expansion of the State Empowerment TA Team by four FTEs would expand the scope of services of the current Office of Empowerment and State Empowerment TA Team. This will allow more work to be done at the systems level. As work has been underway for sometime, the decision has been made to work towards the achievement of the result areas originally defined for Community Empowerment.

Responsibilities:

- Improving communication and interagency coordination
- Facilitate the work of the Early Childhood Iowa Stakeholders (below)
- Build local Community Empowerment Board capacity in developing and sustaining a local early childhood care, health, and education system.
- Development and the implementation of strategies to promote the use of evidence- and research-based methods for achieving the desired results for all of Iowa's young children.
- Coordinate result and performance accountability efforts at the state and local levels

The Early Childhood Iowa Stakeholders

The Early Childhood Iowa Stakeholders' purpose is to be a catalyst in the development of Iowa's comprehensive, early care, health, and education system. This group's strength is in the successful model and commitment that has been shown. Current membership includes both private and public sectors. The ECI stakeholders have formed workgroups to address the following six key components of an early care, health, and education system: Quality Programs and Services; Professional Development; Public Engagement; Governance and Administration; Resources & Funding; and Results Accountability. Each workgroup consists of co-chairs structure. Both government and non-governmental perspectives represent that leadership. This group provides a comprehensive influence from many early care, health and education partners.

Responsibilities:

- Advise the Iowa Empowerment Board, the Early Childhood Comprehensive Systems Planning Grant, Children's Cabinet, and other identified early care, health, and education planning boards, commissions and initiatives
- Develop and update an early care, health and education system strategic plan.
- Serve as liaison/ally to constituency groups.
- Develop a menu of best practices and rationale for an early care, health, and education system.
- Be advocates for early care, health, and education system.
- Develop a public awareness campaign.

A public awareness campaign would be developed and launched by working with an outside expert. This effort would be done in collaboration with other groups such as Child and Family Policy Center's Every Child Counts and the Number One Question Campaign. As part of the plan, private contribution would be sought.

PERFORMANCE MEASURES AND TARGET

Performance Measurement	Target
Number of ethnic or racial minority groups represented on the IEB	2 individuals
Number of early childhood councils, commissions or boards	Baseline to be established in FY '06
Percent of child care centers and pre-schools meeting accreditation standards	Baseline to be established in FY '06
Percent of children with health-care coverage (based on census); Currently is 92%	Target is 93%.
Pregnant women receiving prenatal care beginning in the first trimester. Currently 89%	Target is 90%.

PRICE AND REVENUE SOURCE

Current Service Level \$0

Total Price: \$500,000

SFY06

Expense Description	Amount of Expense	FTEs
Four FTEs – salaries, benefits and support costs	\$400,000	4
Technical assistance activities both at state and local level; includes support costs to the various system components mentioned in offer.	\$30,000	
Public Awareness/Communication Campaign, modeling successful initiatives from other states.	\$70,000	
Total	\$500,000	

Revenue Description	Amount
State General Funds *	\$500,000
Other State Funds:	
	\$
Total	\$500,000

	Projected Expense Description	Amount of Expense	Addition FTE's Anticipated	Estimated Performance Measure Increases/Changes
SFY07	Growth in the Technical Assistance.	This blueprint will be developed as the infrastructure is developed, many aspects will need to be addressed by the Children's Cabinet.		

Improving Access For Families & Children

Comprehensive Child Care Services – Child Care Assistance, Regulation, and Quality Improvement Activities

The offer is to deliver child care assistance, regulatory functions, and quality improvement services and activities. The child care assistance program, as well as the regulatory responsibility of the Department of Human Services and several quality improvement directions, are outlined in Iowa Code 237A. Additional responsibilities required of the Department of Human Services are specified in the Code of Federal Regulations for the Child Care Development Fund – the primary funding stream for child care services.

Child Care Assistance

The child care assistance program provides funding for child care for over 35,000 children annually of low-income parents who are working or in school, including families participating in PROMISE JOBS activities or receiving protective child care as well as children served in foster home settings. In SFY04, an average of 16,738 children were served monthly in child care assistance – a number that has steadily increased over the past four years. Each month, approximately 70% of all children receiving child care assistance receive the services due to their parents being employed.

Many Iowa families need support in securing and paying for quality child care providers. The state's child care assistance program currently serves families at 140% of the Federal Poverty Level (FPL), adjusted annually. To put this in perspective:

100% FPL = \$18,850 annually for a family of 4
State Median Income (SMI) – Iowa = \$61,238

Current eligibility for child care assistance is at 140% FPL
= \$26,388 annual income for a family of 4
= 43% SMI

The companion to eligibility -- *for improving families' access to quality care* -- is provider rates. The state currently reimburses child care providers caring for children eligible for child care assistance at the 75th percentile of the 1998 market rate survey. Rates were last increased in July 2000. The state is required to conduct a market rate survey every two years but the provider rate is established in the Department's appropriation bill. Rates are established by setting and age of child and are paid on 'half-day units' (comprised of up to 5 hours per unit). When adjusted to latest market rate data available, the actual rates fall in a range of 27th to the 50th percentile.

Child Care Regulation

Child care regulation of child care facilities supports the pre-regulation efforts, licensing and registration, and ongoing monitoring and consultation to child care centers and child development homes. This offer includes completion of record checks and evaluations of all persons in contact with children in the child care settings as well as on non-registered providers who receive payment under the state child care assistance program. Regulation and consultation is provided to approximately 1500 licensed child care centers, 6000 child development homes, and 5000 non-registered providers.

Quality Improvement

Child care quality improvement efforts support a number of state and community partnerships to improve the number and quality of settings serving Iowa's youngest and school-age children. Examples of activities funded under the offer include: 1) An array of parent and provider support services are delivered through the Child Care Resource and Referral partnership; 2) Iowa's Healthy Child Care Iowa initiative, a partnership with the Iowa Dept. of Public Health; 3) Child Care "wraparound" grants provide full-day, full-year opportunities to over 1600 children who are being served in high-quality, part-time settings such as Head Start and the state's Shared Visions preschool programs.

Many state and community partners contribute to the delivery of these services and activities, including the Iowa Department of Public Health, Department of Education, Department of Management, Iowa Child Care and Early Education Network, Child Care Resource and Referral Agencies, Iowa School-Age Care Alliance, Empowerment areas, etc.

IMPROVEMENT TO ACTIVITY

To support families having access to an array of quality providers, the Department proposes a two-prong investment by the state 1) to increase eligibility levels for families served under child care assistance program and 2) to increase the rates paid to child care providers to facilitate the delivery of high quality care.

1. Increase eligibility:

The Department proposes raising the eligibility to 145% of the Federal Poverty Level.

Raising eligibility to 145%
= \$27,336 annual income for a family of 4
= 44.6% SMI

2. Increase Provider Rates:

The Department proposes to increase provider rates to the 75th percentile of the 2002 market rate survey.

The Department is growing increasingly concerned regarding the number of providers ceasing to accept children enrolled in the child care assistance program due to the growing disparity in the market rate and what the state reimburses. The disparity in reimbursement further impedes providers from making quality improvements, increasing the professional development of staff caring for children, adequately compensating staff (resulting in high turnover), and contributing to the challenge of securing child care for children with special needs.

To provide *an example* of the disparity of rates from current to the latest survey data:

Current	75 th percentile of 2002 MRS
Infant/Toddler in a center = \$12.45 /half day	Infant/Toddler in a center = \$14.50 /half day
Preschool in a child development home B or C = \$8.55/half-day	Preschool in a child development home B or C = \$10.00/half-day
School-age in a center = \$9.00/half day	School-age in a center = \$10.50/half day

[NOTE: DHS will be conducting another rate survey in October 2004 and will have updated rates/cost projections.]

PERFORMANCE MEASUREMENT AND TARGET

Performance Measurement	Target																								
Number of children served in the child care assistance program	Improvement: Raising eligibility to 145% = serve an additional 794 children a month																								
Number of children served in the child care assistance program reflective of Iowa's diverse populations	<p><u>Baseline census data 2000-2003:</u></p> <ul style="list-style-type: none">• Iowa's estimated population – 2003 - 2,944,062.• Latino population -- grew by nearly 10,000, or 12 percent, to reach an estimated 92,471..• Asian population -- grew by 9,119, or 24 percent, to reach an estimated 46,685.• African American population -- increased by 3,340 to 66,707• The number of Iowa children from ages 5 to 17 dropped by nearly 30,000 -- from 558,419 to 528,494. <p>Children served under Child Care Assistance:</p> <table><tr><td></td><td>FY2000</td><td>FY2004</td><td>% Change</td></tr><tr><td>Latino</td><td>3.3%</td><td>6.4%</td><td>+3.1%</td></tr><tr><td>Asian</td><td>0.8%</td><td>0.5%</td><td>-0.3%</td></tr><tr><td>Black</td><td>19.7%</td><td>21.4%</td><td>+1.7%</td></tr><tr><td>White</td><td>75.6%</td><td>77.3%</td><td>+1.7%</td></tr><tr><td>School-age children</td><td>37.2%</td><td>32.8%</td><td>-4.4%</td></tr></table>		FY2000	FY2004	% Change	Latino	3.3%	6.4%	+3.1%	Asian	0.8%	0.5%	-0.3%	Black	19.7%	21.4%	+1.7%	White	75.6%	77.3%	+1.7%	School-age children	37.2%	32.8%	-4.4%
	FY2000	FY2004	% Change																						
Latino	3.3%	6.4%	+3.1%																						
Asian	0.8%	0.5%	-0.3%																						
Black	19.7%	21.4%	+1.7%																						
White	75.6%	77.3%	+1.7%																						
School-age children	37.2%	32.8%	-4.4%																						
Percent of children paid that are served in quality regulated settings	Improvement: Reduce to 15% the expenditures to non-regulated homes.																								

	Trend data on % of CCA expenditures paid to non-regulated providers SFY04 (ytd) = 18% SFY03 = 36% SFY02 = 30 SFY01 = 31
Access to quality providers.	# of registered child development homes # of accredited centers or increase in # of providers at Level 2 or higher in QRS
Number of confirmed abuse in child care centers	Calendar year 2000 – 719 child care providers committed a confirmed abuse (*Note: this number includes informal ‘babysitters’ and trend data will need to exclude those informal, one-time caregivers for this measure to be meaningful.

PRICE AND REVENUE SOURCE

Current Service Level
Total Price: \$70,263,534

SFY06

Expense Description	Amount of Expense	FTEs
Purchased Services	\$65,162,931	0.00
Administration	\$639,038	10.02
Service Delivery	\$4,465,062	73.77
Total	\$70,263,534	83.79

Revenue Description	Amount
State General Funds *	\$7,431,793
Other State Funds:	
Transfer from DHS Child and Family Services for Protective Child Care	\$3,696,285
Child Care Tax Credit Fund	\$2,600,000
Federal Funds (Child Care Development Fund – CCDF and TANF) **	\$56,471,698
Other	\$ 67,255
Total	\$70,267,031

* For FFY04, our state match requirement of \$8,277,747 and our maintenance of effort (MOE) requirement of \$5,078,586 allowed DHS to access \$14,671,371 in CCDF funds (capped funding stream). This funding must be maintained to fully maximize our federal CCDF allocation.

** TANF transferred to CCDF assumes the allowable purposes and funding restrictions of CCDF.

IMPROVEMENTS:

1. Current Service Level plus increasing eligibility to 145% of FPL

Total Price: \$73,174,679

Expense Description	Amount of Expense	FTEs
Purchased Services	\$ 67,926,051	0.00
Administration	\$ 639,038	10.02
Service Delivery	\$ 4,609,590	75.77
Total	\$ 73,174,679	85.79

Revenue Description	Amount
State General Funds	\$10,266,560
Other State Funds:	
Transfer from DHS Child and Family Services for Protective Child Care	\$ 3,696,285
Child Care Tax Credit Fund	\$ 2,600,000
Federal Funds	\$56,535,781
Other	\$ 76,053
Total	\$73,174,679

2. Current Service Level plus increasing provider rates to 75th percentile of 2002 market rate survey

Total Price: \$79,207,255

Expense Description	Amount of Expense	FTEs
Purchased Services	\$74,106,652	0.00
Administration	\$ 639,038	10.02
Service Delivery	\$ 4,461,565	73.77
Total	\$79,207,255	83.79

Revenue Description	Amount
State General Funds	\$16,372,017
Other State Funds:	
Transfer from DHS Child and Family Services for Protective Child Care	\$3,696,285
Child Care Tax Credit Fund	\$2,600,000
Federal Funds	\$56,471,698
Other	\$67,255
Total	\$79,207,255

NOTE: Services provided under this offer include administrative functions and local staff necessary to deliver services effectively and efficiently, as well as partnerships with other state and community-based entities. Service levels under this offer assume any salary adjustment for DHS staff is fully funded.

SFY07-10 -- EXAMPLES of Improvements that could be phased in to Child Care Assistance – with additional state investment or significant increases to CCDF or TANF

	Projected Expense Description	Amount of Expense	Addition FTE's Anticipated	Estimated Performance Measure Increases/Changes
SFY07	increase to 150% FPL and update provider rates to 2004 market rate survey			
SFY08	increase to 160% FPL increase to 150% FPL and update provider rates to 2006 market rate survey			
SFY09	increase to 170% FPL and update			

	provider rates to 2008 market rate survey			
SFY10	increase to 185% FPL and update provider rates to 2010 market rate survey			

Assure universal access to high quality preschool programs for 3-4 year olds.

Young children who participate in high quality early learning environments are better prepared to be successful in school and develop the skills necessary to be a responsible Iowa citizen. In order to assure universal access to high quality preschool programs for 3 – 4 year olds, consideration of the systems infrastructure as well as the direct services provided to children and families must be based on current models and research-based practices. Research indicates that preschool programs incorporating the following components comprise high quality universal preschool:

- Sustainable funding
- Accountability and high program standards such as the National Association for the Education of Young Children Program Accreditation*
- Comprehensive services including child care, family support, mental health, nutrition, health/dental/developmental screenings, and transportation*
- Well qualified teachers with a bachelor's degree in early childhood education*
- Low child to staff ratio-usually no more than 20 children with 2 adults*
- Clearly articulated curriculum with program goals and individualized child goals
- Ongoing staff development and technical assistance*
- Data systems to support record keeping related to program goals and children served*
- Strong connections with public schools*
- Strong public and private partnerships, including a diverse program delivery system of school districts, community-based early childhood programs and Head Start grantees. *
- Staff salaries and benefits comparable to the public school
- Ongoing child assessment *

*Shared Visions Preschool Programs address these items

The Shared Visions Preschool Program, a model comprehensive child development program for at-risk children (130% of poverty), currently administered by the Department of Education, provides preschool services to 2,360 children in approximately 40 counties through collaborative grants to public schools, Head Start Agencies, and licensed non-profit child care centers. All programs are accredited by the National Association for the Education of Young Children (NAEYC), a process that demonstrates a high standard of program quality and developmentally appropriate practice. The Shared Visions preschool model is an existing structure and network that would serve as a vehicle for the development of a full-scale universal preschool system in Iowa.

Using this approach, the current Shared Visions program model would be expanded and modified to serve broader cross-sections of Iowa's children, including those with and without disabilities as well children who are at-risk due to poverty. The expansion of the Shared Visions program model contributes to the goal that 90% of children have a quality preschool experience as well as supports the recommendations from the State Board of Education, Iowa Learns Council, Urban Education Network, and the Child and Family Policy Center.

Current rules and policies would be revised to address the following requirements:

- The Department of Education will develop a Request for Proposal inviting local communities to develop a plan describing the implementation of universal Shared Visions preschool program addressing the new requirements. Applicants will be required to demonstrate collaborative efforts, including but not limited to, Community Empowerment Boards, Head Start, licensed child care centers and local school districts in the development and implementation of the plan.
- One year phase-in for new preschool programs to achieve the Iowa Quality Preschool Program Standards.
- Three year phase in for new preschool programs to achieve NAEYC accreditation and increase the percentage of 3 and 4 year olds participating in high quality preschool programs.
- Establish a collaborative monitoring system to assure compliance with Iowa Quality Preschool Program Standards and Shared Visions state rules.

- Require all lead teachers to be endorsed in early childhood education. About 60 percent of Shared Visions preschool teachers have a four-year degree, most in early childhood education.
- Require all preschool programs to serve children at least 4.5 hours per day.
- Expand eligibility criteria to provide services to all children, including children on Individualized Education Plans (IEP) for special education services.
- Encourage programs will be required to demonstrate that services are culturally sensitive and inclusive, regardless of family structure; socioeconomic, racial, religious, and cultural backgrounds; gender; abilities; or preferred language.
- Require programs to work collaboratively with community programs to ensure comprehensive health, nutrition, dental and mental health services for children and families.
- Require programs to address the child care needs of families by providing before and after school care or working collaboratively with DHS wrap around child care grants and community empowerment areas.
- Require ongoing staff development addressing Iowa's Early Learning Standards (child standards) as well as program quality (Iowa Quality Preschool Standards and NAEYC accreditation).
- Comprehensive assessment system.
 - Ongoing program assessment and reporting based on current research-based program assessments such as the Early Childhood Environmental Rating Scale (ECERS-R) or Early Language and Literacy Classroom Observation (ELLCO).
 - Ongoing child assessment and reporting based on current research-based child assessment such as the High Scope Child Observation Record or Creative Curriculum.

PERFORMANCE MEASURES AND TARGET

Considerations:

- An RFP would be developed to address additional quality requirements as well as inequity among the existing grantees.
- The average cost per child to provide high quality comprehensive child development services is \$5,000.
- Provide fully funded services using state funds (100% of cost per child) to approximately an additional 2,600 at-risk children.
- Provide partially funded services (80% of cost per child) to approximately an additional 1,400 children who are at risk due to factors other than socioeconomic status. Programs will commit to complying with the Shared Visions administrative rules within an established period of time.
- Provide partially funded services to approximately an additional 700 children who are not at risk (40% of cost per child). Programs will commit to complying with the Shared Visions administrative rules within an established period of time.
- Additional funding sources would need to offset the program costs for children receiving services that are being partially funded with Shared Visions state funds in the amount of approximately \$3,508,000. The additional funding sources may include private pay tuition, sliding fee scales tuition, and public-private partnerships.

Performance Measurement	Target
% of children receiving Shared Visions services that represent the demographics of the community including gender, race, ethnicity, disability, and socioeconomic status.	Establish baseline in FY 06
% of children receiving Shared Visions services with tuition support from public funds.	Serve approximately an additional 2,600 children
% of children receiving Shared Visions services with tuition support from private pay, sliding fee scales, and public-private partnerships.	Serve approximately an additional 2,100 children

PRICE AND REVENUE SOURCE

Current Service Level

Total Price: \$20,000,000 (new) + \$11,271,000 (existing) + 501,024 (administration existing) = \$31,772,024

SFY06

Expense Description	Amount of Expense	FTEs
Maintain Status Quo Funding for early childhood programs for at-risk children	\$11,271,000	3.05
Fully funded preschool services for approximately 2,600 children	\$12,938,000	
Partially funded preschool services for approximately 1,400 children	5,668,000	
Partially funded preschool services for approximately 700 children	1,394,000	
Administration	\$501,024	6.03
Total	\$31,772,024	

Revenue Description	Amount
State General Funds *	\$31,772,024
Other State Funds:	
(Note: \$3,508,000 additional funds will be needed to offset program costs from private pay tuition, sliding fee scales tuition, and public-private partnerships.)	\$
Total	\$31,772,024

Addressing Quality Improvement – System & Provider

Community Empowerment

Community Empowerment was established by legislation during the 1998 session in an effort to create a partnership between communities and state government with an emphasis to improve the well-being of families with young children. Community Empowerment Areas enable local citizens to lead collaborative efforts involving education, health, and human services efforts on behalf of children, families and other citizens residing in the area. The purpose of Community Empowerment is to empower individuals and their communities to achieve desired results to improve the quality of life in communities in Iowa. The role of the Iowa Empowerment Board and the State is to support and facilitate growth of individual and community responsibility in place of the directive role that the public has come to expect of government.

The Community Empowerment model has proven to be successful at both the local and the state level. Although just one partner in the process, Community Empowerment has fulfilled the role of convener and coordinator for the state-level system building activities. Locally, communities work collaboratively with partners in order to better address issues for young children and their families.

Community Empowerment is an example of the most effective role of state government – the role of partner. Community Empowerment leverages local resources; supports local efforts; generates comparison data among areas and focuses on results. The initiative is provided oversight by the Iowa Empowerment Board, which includes citizen members appointed by the Governor, the directors of the departments of Economic Development, Education, Public Health, Human Rights, Human Services and ex-officio legislators. To ensure the Board's makeup better reflects the diverse populations of our state, we will be seeking membership that better meets the demographics of our state.

Community Empowerment Areas are collaborative bodies consisting of citizens, elected officials, and representatives of education, health, human services, faith, business and consumers charged to reach the desired results to improve the quality of life for young children (0-5 years) and their families.

If Community Empowerment were to receive funding above its previous allocation, we would propose the increased amount be used to fund the enhancement of supporting high quality improvement efforts. This list might include implementing or enhancing the Iowa Early Learning Standards, Child Care Quality Rating System, Shared Visions Preschools, TEACH, Research/evidence based family support services targeting children ages 0-3, and maternal and

child health services. These activities would all support the Governor's 90/90 Goal as well as the Iowa Learns Council Recommendations, further enhancing other suboffers in this combined offer.

In FY '06 a process will be developed with local empowerment area representation to guide empowerment areas in their decision making process whereby redirecting current funds to initiatives that achieve better results according to available research.

In FY '07 legislative language will be crafted to support the framework developed in FY '06 and codify the focus on supporting programs that will produce the desired results for young children and their families. Support will be provided at the community level in order to strengthen a comprehensive system for access to services.

PERFORMANCE MEASURES AND TARGET

Performance Measure	Target
% of community empowerment areas financially supporting one or more research/evidenced based family support/home visitation programs.	Of the areas reporting to online survey: '05 – 62% (36 areas) '06 – 66% (38 areas) '07 – 69% (40 areas) '08 – 76% (44 areas)
% of community empowerment areas financially supporting family support programs using a screening tool to determine need for specific service referrals.	Of the areas reporting to online survey: '05 – 92% '06 – 93% '07 – 94% '08 – 95%
% of communities accurately completing the Common Language (AGA) framework for reporting results and outcomes.	Baseline data to be determined in FY '06.
% of community empowerment areas financially supporting TEACH and PITC, child care professional development programs	Baseline data to be determined in FY '06.
% of community empowerment areas financially supporting child care home consultants	Baseline data to be determined in FY '06.
% of community empowerment areas financially supporting child care health consultants	Baseline data to be determined in FY '06.
Number of community empowerment area board members participating in technical assistance activities.	Baseline data to be determined in FY '06.
Number of participants in community empowerment area state technical assistance team-offered training and technical assistance	Baseline data to be determined in FY '06.
Number of Shared Visions preschool programs receiving resources from community empowerment areas.	Baseline data to be determined in FY '06.

Community Empowerment will systematically work to assist local Community Empowerment areas to fund those programs that prove to make the most impact for young children and their families. Work is already being conducted by a workgroup consisting of local representative from empowerment areas and the State Empowerment Technical Assistance Team to address the issues of developing common performance measure data sets for local Community Empowerment areas to better inform the effectiveness of local efforts in achieving results for young children.

PRICE AND REVENUE SOURCE

Current Service Level: \$22,601,491

Total Price: \$ 27,350,000

SFY06

Expense Description	Amount of Expense	FTEs
Community Empowerment	27,350,000	2
Total	27,350,000	

Revenue Description	Amount
State General Funds *	\$20,000,000
Other Funds (federal Source) TANF**	\$ 7,350,000
Total	\$27,350,000

** TANF transferred to CCDF assumes the allowable purposes and funding restrictions of CCDF.

Future year planning still needs to occur and will be based on changes that are made in FY'06.

Early Learning Standards

This offer proposes to design and implement Iowa Early Learning Standards (IELS) for children birth to five years of age. Iowa Early Learning Standards are statements that describe high expectations for the learning and development of young children ages birth to 5. The Iowa Early Learning Standards (IELS) are designed to identify the knowledge, skills, motivation, and attitudes needed by five-year-olds for success in kindergarten. They are designed to guide parents and professionals in ensuring that all children experience high quality early care and education. The standards provide guidance for parents in their role as first and best teacher for their children. They are also intended to guide curriculum, and assessment for preschool children in early care and education settings in homes, child care centers, and preschool programs. In addition, they may guide assessment practices to include child assessment and program assessment and improvement.

In establishing early learning standards for Iowa's children, adults will share a common understanding and common language around what children should know and be able to do. This will allow adults to provide stimulating, responsive environments as they guide children toward achieving these standards. In addition to improving the quality of early learning experiences, the standards also promote communication and alignment between early childhood and K-12 education.

Efforts began in the fall of 2003 as a joint endeavor of both the Departments of Education (DE) and Human Services (DHS), due to the interest already underway in DE regarding early learning and K-12 alignment and a DHS need to establish early learning guidelines as a requirement of the federal Child Care Development Fund. Key community partners, including the Iowa Child Care and Early Education Network, Child Care Resource and Referral Agencies, Area Education Agencies, institutes of higher education, and Empowerment areas came together to collaboratively establish a broad-based stakeholder group and process. Three committees have been established to address development of the standards for birth-3 and 3-5 years olds, communication, and implementation. Currently, draft standards for children ages 3 to 5, have been established in the areas of physical well being and motor development; approaches toward learning; social and emotional development; communication, language and literacy; creative arts; mathematics and science. Public review and comment of the draft standards has been completed and will be used to finalize the standards. Work on standards for children ages birth to 3 will begin this fall.

Professional development will be a key component for child care providers to effectively implement developmentally and culturally appropriate teaching approaches that enhance children's learning in the areas addressed in the Iowa Early Learning Standards. This may include increasing the knowledge and skills of providers in the areas of curriculum, assessment, and cultural competence in order to support all children's learning and development. Providers who have an understanding of the developmental expectations of young children and how to teach them will provide a higher quality learning environment. In addition, the implementation of the Quality Rating System, that includes criteria addressing the professional development of providers, will contribute to the implementation of the IELS in child care settings. The Iowa Learns Council recommendations as well as the Child and Family Policy Center's recommendations for quality improvement efforts of early care and education support the implementation of the IELS.

PERFORMANCE MEASURES AND TARGET

The final performance measures and targets for this offer will be contingent on the on the implementation strategies established for the IELS. Given the deficits in current data on the child care provider community and Iowa's young children in general, SFY06 may be a baseline data-gathering year.

Performance Measurement	Target
Increase in percent of kindergarten children who perform early literacy skills in the areas of initial sound fluency and letter naming fluency.	Baseline data to be determined in FY '06.
Increase in number of child care providers who receive training on IELS and incorporate strategies into their curriculum/activities (if able to be gathered through survey, licensing, and CCR&R data)	Baseline data to be determined in FY '06.

PRICE AND REVENUE SOURCE

NOTE: Costs and considerations above parallel preliminary cost projections provided to the Iowa Learns Council. Please note that these are NOT 'lock-down' numbers – activities and cost projections described below are elements of the effort that are still in the design-phase for implementation. See Attachment

Expense Description	Amount of Expense	FTEs
Year one activities for awareness, knowledge and skill-building	\$604,500	1.00
Total	\$604,500	

Revenue Description	Amount
General Fund	\$604,500
Total	\$604,500

	Projected Expense Description	Amount of Expense	Addition FTE's Anticipated	Estimated Performance Measure Increases/Changes
SFY07	Activities for awareness, knowledge and skill-building	\$1,354,000		
SFY08	Activities for awareness, knowledge and skill-building	\$1,834,000		

Quality Rating System

The offer to design and implement a quality rating system (QRS) supports families' awareness and access to quality early childhood settings. A QRS system supports providers in building the industry of child care, including a well-trained, professional workforce.

Iowa's current approach to recognizing quality child care includes registration for child development homes and licensing of child care centers. In addition, the Legislature has established the "Gold Seal" provider program which recognizes providers who achieve accreditation and maintain compliance with regulation. The next step for enhancing the quality of Iowa's child care is to implement a voluntary, multi-level Quality Rating System for child care providers.

DHS, in collaboration with DE and DOM, is currently shepherding an effort involving a broad-based workgroup of representatives across the early childhood community, to design a multi-level QRS. A draft of criteria for the levels has been submitted for public review and comment. DHS is to submit a report to the Governor and General Assembly by December 15, 2004. The report is to include recommendations on the number of levels and the criteria to achieve, administration (including determination and monitoring), marketing plans, cost estimates, etc.

Key points of offer: Implementation – Proposed July 2005 – Ratings implemented January 2006

- Participation by providers in the QRS will be voluntary.
- Iowa has approximately 7200 regulated providers (1500 centers and 5700 child development homes). This represents 'sites' – *not* the provider population (staff) pool.

Many state and community partners will contribute to the successful development and implementation of a quality rating system, including the Iowa Dept. of Public Health, Department of Education, Department of Management, Iowa Child Care and Early Education Network, Child Care Resource and Referral Agencies, Iowa School-Age Care Alliance, Empowerment areas, etc.

PERFORMANCE MEASUREMENT AND TARGET

The final performance measures for this offer will be contingent on the final criteria established in the QRS. Given the deficits in current data on the child care provider community, SFY06 will be a baseline data-gathering year.

As examples, one could anticipate performance measures along these lines:

Performance Measure - Examples	Target
# of accredited child care centers and child development homes	Currently there are approximately 170 accredited child care centers under the National Association for the Education of Young Children (NAEYC). Of these, approximately 50% of those are either Head Start or Shared Vision preschool programs – which have either mandates or specific funding to achieve accreditation. Currently there are approximately 5 accredited child development homes under the National Association of Family Child Care (NAFCC). Currently there are no known school-age programs accredited under the National School Age Care Alliance (NSACA)
# of ChildNet-certified child development homes	Baseline data needs to be secured regarding the number of providers that have completed certification, beyond the completion of the 20 hours of training.
# of children being served in providers at Level 3 or higher or # of providers in each level	Baseline data to be determined in SFY06
% of providers in level system reflective of Iowa's diverse populations and needs of children & families	Baseline data to be determined in SFY06

PRICE AND REVENUE SOURCE

Current Service Level

Total Price: QRS - 06 costs --- start-up year = \$4,014,522**

SFY06

Expense Description	Amount of Expense	FTEs
Administration	\$300,000	4.00
Marketing/Public Awareness Campaign	\$100,000	
Child Care Regulation Unit	\$2,664,522 **[final funding level needed may be reduced, as this	

	projection may incorporate current licensing staff (\$600K)]	
Child Care Center Specialists	\$250,000	
Environmental Rating Scales -- train-the-trainers and training on using tool for self-assessment	\$200,000	
Environmental Rating Scale observation of providers	\$300,000	
Achievement Bonus \$	\$200,000	
Total	\$4,014,522	

**** NOTE:**

- These are NOT 'lock-down' numbers - items described above are elements in a system that is currently being designed - in other words, we don't know yet how much the house will cost to build, as we are still laying out the architectural plans. Additional cost projections will be developed between now and December 15th, when a report to the Governor and General Assembly are due.
- The necessary training, observation, consultation, and infrastructure necessary to support providers achieving higher quality/higher ratings will require additional investment over the next several years. A large portion of CCDF quality funds and TANF funds currently contribute to many of the components necessary for a successful rating system. There are no additional CCDF or TANF funds to direct to this effort.

Revenue Description	Amount
State General Funds *	\$4,014,522
Other State Funds:	
	\$
Total	\$4,014,522

SFY07-10

	Projected Expense Description ***SFY06 Continued Funding + the following:	Amount of Expense	Addition FTE's Anticipated	Estimated Performance Measure Increases/Changes
SFY07	Additional training coordinators, professional development consultants, and staff for logistical support for training delivery			FOR ALL: Link to participation in activities identified in the levels and the increase in number of providers in each level
	Increased funding for T.E.A.C.H.			
	Submit proposal for expanded "achievement bonus", which may include establishing a tiered reimbursement under state child care assistance program, a W.A.G.E.S-like program, etc.			
	Increased funding for Infant and Toddler Specialists & Increase funding for PITC training			
SFY08	Increased funding for delivery of ChildNet, Welcome to Child Care, and Welcome to School-Age Care			
	Increased funding for health consultation			
SFY09	Expansion of home consultants			
	Expansion of Director Administrator Credential training			
SFY10	Expansion of Apprenticeship sites			

*** NOTE: Cost projections will need to be based on first-year data and assessments of provider participation; achievement bonus schedule; expansion of training and consultation achieved through other funding mechanisms such as local Community Empowerment board decisions, MCH or PHN agencies, securing grant funds, etc.

**\$24
Billion**

(GF-S & Health Services)

Funded Priorities

Purchased: \$24 Billion (GF-S & Health Services Account)

- \$10.2b** K-12 education for 1,000,000 students
- \$2.7b** Higher education for 215,000 students
- \$3.7b** Health care for 979,000 children & needy people
- \$3.8b** Protecting vulnerable children, adults & families
- \$1.4b** Public Safety, including Prison for 15,500
- \$125m** Economic development
- \$310m** Natural resources and parks
- \$133m** Legislature
- \$82m** Judicial
- \$369m** Government Operations
- \$1.3b** Debt service on capital projects
- \$55m** Pension contributions
- \$344m** Reserves
(GF-S=\$214m, Health Services=\$73m, ERF=\$57m)

**\$2.4
Billion**

(GF-S & Health Services)

Funded Priorities

Reductions: \$2.4 Billion (GF-S & Health Services Account)

- \$109m** Lower costs in higher education
- \$221m** Future class size reduction
- \$112m** K-12 programs beyond basic education
- \$112m** Revised sentences for 1,200 non-violent and drug offenders
- \$197m** Lower-priority programs for vulnerable children and adults
- \$389m** Future expansion of Basic Health Plan
- \$277m** Health coverage for 59,000 adults now on Basic Health Plan
- \$774m** Pay increases and benefits for state-funded employees
- \$83m** Pension contributions
- \$112m** Consolidation and staff reductions of 2,500 FTE